

AMENDED AND RESTATED BY-LAWS OF THE VILLAS AT SHREWSBURY CONDOMINIUM ASSOCIATION

THESE AMENDED AND RESTATED BY-LAWS are made this 11th day of April, 2013, for the members of the **VILLAS AT SHREWSBURY CONDOMINIUM ASSOCIATION** (previously known as and also referenced as the Fair Prospect Condominium Association).

ARTICLE I

Introductory Provisions

1.1. APPLICABILITY. These Bylaws provide for the governance of the Association pursuant to the requirements of Section 3306 of the Act with respect to the Condominium created by the recording of the Declaration in The Office of the Recorder of Deeds of York County, Pennsylvania.

1.2. DEFINITIONS. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these By-Laws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

1.3. COMPLIANCE. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these By-Laws.

1.4. OFFICE. The office of the Condominium, the Association, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE II

The Association

2.1. COMPOSITION. The Association is hereby organized on the date hereof as a non-profit corporation (non-stock basis). The members of the Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration, any Amendments thereto, and these By-Laws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act, the Declaration, and Amendments thereto. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these By-Laws.

2.2. ANNUAL MEETING. The annual meeting of the association shall be held on the third Thursday of September of each year when possible. In the event this is not possible, the meeting will be held at the closest available date. At such annual meetings all business as may properly come before the Association may be transacted.

[Amendment II, approved by the Association and the Executive Board on September 15, 2010.]

2.3. PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

2.4. SPECIAL MEETINGS. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least 25% of the votes in the Association. The notice of any special meetings shall state the time, place and purpose thereof. Such meeting shall be held within 45 days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration or the rejection of a budget or capital expenditure pursuant to Section 5.8 below, such meeting shall be held within 15 days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

2.5. NOTICE OF MEETINGS. The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the Association at least twenty but not more than sixty days, and of each special meeting of the Unit Owners at least ten but not more than forty-five days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 8.1 of these By-Laws shall be considered service of notice.

2.6. ADJOURNMENT OF MEETINGS. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

2.7. VOTING. Voting for all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his or her Unit in the Declaration or Amendments thereto. Where the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with the unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration, any amendments

thereto, or these By-Laws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration, any amendments thereto, or these By-Laws, the owners of more than fifty (50%) percent of the aggregate Percentage Interests in the Condominium voting is required to adopt decisions following any meeting of the Association. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interests in the aggregate. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration and amendments thereto. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no accumulative or class voting. Unit owners who are delinquent in payment by 31 days or more of TVAS condominium dues/or fines shall not be permitted to cast votes in any community meeting, annual or special elections. These cases will be kept strictly confidential.

[Amendment V, approved by the Association with a Ballot Vote on October 14, 2010 and the Executive Board on October 21, 2010.]

2.8. PROXIES. Intentionally Deleted. See Section 2.10 Conduct of Meeting.

[Amendment VII, approved by the Executive Board August 31, 2011.]

2.9. QUORUM. Except as set forth below, the presence in person of Unit Owners of twenty (20%) percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast ten percent (10%) of the votes which may be cast for the election of the Executive Board are present in person at the beginning of the meeting.

2.10.1. CONDUCT OF MEETINGS. The President (or in his or her absence, one of the vice-presidents) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, any amendments, these By-Laws or the Act. All votes shall be tallied by tellers appointed by the President. All meetings shall be agenda-driven, and shall proceed in the following order:

- I. Call to Order
- II. Welcome

- III. Directors' Comments
 - A. President
 - B. Vice-President
 - C. Secretary
- IV. Quorum
- V. Approval of Minutes
- VI. Guest Speaker
- VII. Property Management Report
- VIII. Treasury Report
- IX. Committee Reports
- X. Discussion of Reports
- XI. Presentation and Discussion of Topics
- XII. New Business
- XIII. Announcements
- XIV. Adjournment

2.10.2. CONDUCT OF ANNUAL BUSINESS MEETING.

Pre-Meeting Procedure

2.10.2.1. Six (6) weeks prior to the Association Annual Meeting the duly appointed management company for the Association (as defined below in Section 3.2) will mail a meeting notice with the date, time, and place of the annual business meeting, along with a request for topics and instructions for submitting a topic.

To request the inclusion of a topic on the Agenda of the Annual Meeting, the person requesting the topic's inclusion shall submit, by mail to the Management Company, a brief signed written statement of the topic and any additional details the presenter cares to include.

Any request for inclusion of a topic must be received by the Management Company no later than the close of business on the day four weeks prior to the date of the annual meeting.

If a request is received in accordance with the procedures outlined in this section, the topic will be included on the Agenda for the Annual Meeting, and the sponsor will be provided a brief opportunity to discuss the topic, followed by anyone else who wishes to speak on the topic.

To the extent that there are more requests for topics than can be handled at the Annual Meeting, the Executive Board shall schedule a Special Meeting to accommodate discussion of additional topics. The special meeting must be within 30 days of the annual meeting. This same action can be taken in the event that all the business of the annual meeting is not completed at the annual meeting.

2.10.2.2. Two (2) weeks prior to the Association Annual meeting the Management Company will mail a meeting agenda to all Homeowners. Having the AGENDA before the meeting gives each homeowner time to consider the merits of each topic in as much detail as they feel is warranted. This should encourage informed discussion

and intelligent decision making at the meeting. NOTE: Emergent issues can be introduced in New Business. They will be handled as are topics.

Meeting Procedure

2.10.2.3. The President (or in his or her absence, the vice-president) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat.

The following procedure shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, any amendments, these By-Laws or the Act. This procedure should ensure the right of all home owners to be heard on any and all matters up for discussion. Persons wishing to comment will be limited to a period not to exceed three (3) minutes. In the interest of time constraints and to prevent comments and discussion going on indefinitely, no person shall be able to request to be heard more than once until all who want to speak are heard. Then additional time will be allowed. There will be no comments or discussion without first being recognized by the presiding chairperson. A timekeeper will be appointed by the board and will announce a warning one (1) minute prior to the expiration of the speaker's time. The timekeeper will also announce when the speaker's time is up. The Annual Meeting shall be agenda driven and shall proceed in the same order as described in Section 2.10.1. of these By-Laws.

2.10.2.4. At the Annual Business Meeting, any topic which results in a motion, seconded and discussed, will be included on the Voting Ballot in wording as developed at the meeting. Before the end of the Annual Meeting, the exact wording for any motion to be included on the ballot shall be examined and approved, by signature, by the sponsor(s) of the topic.

Post Meeting Procedure

2.10.2.5. Two (2) weeks after the meeting the Management Company will mail the Voting Ballot to each homeowner. (See section 2.7). This ballot will contain the motions generated at the Annual Business Meeting. The ballot process will be the same as that for the executive board member election (see section 3.3). This ballot properly executed must be received as a hard copy in the envelope provided by the Management Company by the end of business hours on the 28th day after the meeting (4 weeks after the meeting date). DISCUSSION: This voting method gives all home owners a chance to exercise their rights in the decisions of the community. If they feel it is important to hear the discussion and background of the topic, they should attend the annual meeting. Proxies are not allowed in the voting ballot

process (as recommended in Robert's Rules of Order). The Voting Ballots will be handled in the same formal way as the ballots for election of executive board members (see section 3.3).

2.10.2.6. Six (6) weeks after the annual business meeting the Management Company will mail each home owner the official results of the voting. The motions passed in most cases will be included in the bylaws or rules & regulations.

[Amendment VI, approved by the Association with a Ballot Vote on October 14, 2010 and the Executive Board on October 21, 2010. Further amended and expanded by the Executive Board on August 31, 2011.]

ARTICLE III **Executive Board**

3.1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of that number of natural persons, as specified and as clarified by Paragraph 1.3 B. 13 of the Declaration, all of whom shall be Unit Owners or designees of the Declarant.

3.2. DELEGATION OF POWERS; MANAGING COMPANY. The Executive Board may employ for the Condominium a "managing company" at a compensation established by the Executive Board (the "Management Company"). The Managing Company shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration, any Amendments thereto and these By-Laws; provided, however, where a Managing Company does not have the power to act under the Act, the Declaration, any Amendments thereto and these By-Laws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Company all of the powers granted to the Executive Board by the Act, the Declaration, any Amendments thereto and these By-Laws other than the following powers:

- a. to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- b. to adopt, repeal or amend Rules and Regulations;
- c. to designate signatories on Association bank accounts;
- d. to borrow money on behalf of the Association;
- e. to acquire and mortgage Units;
- f. to designate Reserved Common Elements;
- g. to allocate Limited Common Elements.

Any contract with the Managing Company must provide that it may be terminated with cause on no more than thirty days' written notice and without cause of no more than ninety days' written notice. The term of any such contract may not exceed one year.

3.3. ELECTION AND TERM OF OFFICE. The annual election of members of the Executive Board shall be secured through a nomination and mail-in ballot process. The nomination process will be announced at the annual meetings, the third Thursday of September, or on the closest available date thereto, in accordance with Section 2.2 of these Bylaws, to begin the process of securing candidates for consideration.

Candidates must send their resumes via hard copy to the Management Company no later than midnight of October 31st. No resumes can be accepted after the deadline.

The Management Company will act as official tellers and will mail out an official ballot listing candidates in alphabetical order (no write-ins accepted) along with each bio originally submitted to unit owners only (no proxies accepted for director positions). The official ballot will include the following specific verbiage:

Only official ballots will be recognized and must be returned via hard copy to [insert name of Management Company] on xx/xx/xx no later than midnight of such date noted, and no post-dated, faxes or electronic transmissions will be accepted.

A pre-paid envelope with an inner return envelope with a space for the voter's original signature & print line of unit number will be placed on its face instead of on the ballot. This inner envelope should be sent to the voter with the ballot, in addition to the self-addressed outer return envelope described above. This will assure privacy of voters.

All ballot outer envelopes will be held by the Management Company in a specific secured area and not to be opened until the day after the polls close. The ballot outer envelopes will be opened in the presence of any candidates and Board members who desire to attend. The Management Company will give notification of time and place of the ballot counting at least 72 hours before the counting.

After signatures of the unit owners on the envelopes are qualified, the voter is checked off on the list as having voted and the envelope is opened and the ballot is removed and placed, still folded, into a receptacle.

When all inner envelopes have thus been processed the ballots are taken from the receptacle and the votes are counted. In order to ensure the accuracy and the secrecy of such a vote by mail, special care should be taken in all phases of handling the ballots. The chairman of tellers or other person responsible must be able to certify the results from both of these standpoints.

After ballot totals are certified by the Management Company, the Management Company will officially advise the President via phone if not present, and he/she will then authorize the Management Company to release the tallies to the current Executive Board & candidates. The Management Company will then prepare correspondence noting the results which will be signed by the appropriate authorized manager of the Management

Company office and mailed to the unit owners in The Villas at Shrewsbury for their information.

The Management Company will in no way allow or encourage or solicit conversation with a homeowner, Executive Board or candidates by e-mail, written or by phone regarding this process. If an employee of the Management Company receives such communication it must be reported immediately to the entire Executive Board and all nominees on the ballot for a resolution.

The results will be announced by the Associations' Management Company on or before the first of December.

The term of office of any Executive Board member to be elected (except as set forth in Section 3.5 hereof) shall be fixed at three years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself/herself.

[Amendment I, approved by the Association with a Ballot Vote on September 18, 2008 and the Executive Board on September 18, 2008.]

3.4. REMOVAL OR RESIGNATION OF MEMBERS OF THE EXECUTIVE BOARD. Except with respect to members designated by Declarant at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owners proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his or her Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified by Paragraph 1.3 B. 13 of the Declaration.

3.5. VACANCIES. Vacancies in the Executive Board shall be filled by a vote of a majority of the remaining members of the Executive Board at a special meeting of the Board for such purpose to be held promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so selected shall be a member of the Executive Board for the remainder of the term of the member being replaced. This same process will be followed in the event of multiple vacancies.

[Amendment III, approved by the Association with a Ballot Vote on October 14, 2010 and the Executive Board on October 21, 2010.]

3.6. ORGANIZATION MEETING. The first meeting of the Executive Board following each annual meeting of the Association is in January of the calendar year thereafter. The time and place of such Executive Board meeting shall be fixed by the

President (even if he or she is the outgoing President) at the meeting at which such Executive Board shall have been elected. No notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Committee members were present at such meeting.

3.7. REGULAR MEETINGS. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once every four months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least three business days prior to the day named for such meeting.

3.8. SPECIAL MEETINGS. Special meetings of the Executive Board may be called by the President at on least three business days' notice to each member, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

3.9. WAIVER OF NOTICE. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

3.10. QUORUM OF THE EXECUTIVE COMMITTEE. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less then a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all person participating in the meeting can hear each other.

3.11. COMPENSATION. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his or her duties.

3.12. CONDUCT OF MEETINGS. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, and any amendments thereto, these By-Laws or the Act.

3.13. ACTION WITHOUT MEETING. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

3.14. VALIDITY OF CONTRACTS WITH INTERESTED EXECUTIVE BOARD MEMBERS. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- a. The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or
- b. The Contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

3.15. INCLUSION OF INTERESTED EXECUTIVE BOARD MEMBERS IN THE QUORUM. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a Board thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

ARTICLE IV Officers

4.1. DESIGNATION. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

4.2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

4.3. REMOVAL OF OFFICERS. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without

cause, and a successor may be elected at any meeting of the Executive Board called for such purpose.

4.4. PRESIDENT. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation, the power to appoint committees from among the Unit Owners from time to time as the President may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding such office at such time as he or she ceases to be a member of the Executive Board.

4.5. VICE PRESIDENT. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President. The Vice President shall cease holding such office at such time as he or she ceases to be a member of the Executive Board.

4.6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgages on any Units hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to Sections 3315(g), 3407(a) and 3407(b) of the Act and Sections 5.9 and 5.11 below.

4.7. TREASURER. The Treasurer shall have the responsibility for the safekeeping of Association fund and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Company, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the laws of Pennsylvania.

4.8. EXECUTION OF DOCUMENTS. All agreements, contracts, deeds, leases, checks and other instruments of the Association, for expenditures or obligations in excess of \$5,000.00 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000.00 or less may be executed by any one officer of the Association.

4.9. COMPENSATION OF OFFICERS. No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his or

her duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE V **Common Expenses; Budgets**

5.1. FISCAL YEAR. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

5.2. PREPARATION AND APPROVAL OF BUDGET.

5.2.1. On or before the first day of November of each year (or sixty days before the beginning of the fiscal year), the Board shall adopt an annual budget for the Association. The annual budget shall include: (1) an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Executive Board to maintain repair and replace; and (2) the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these By-Laws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

5.2.2. On or before the next succeeding fifth day of November (or fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owner's assessments for Common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.

5.2.3. Within thirty days after the creation of Units on any Convertible Real Estate or on any Additional Real Estate, the Executive Board shall revise the budget to reflect changes in Common Expenses resulting from such addition or conversion and to reflect the proportionate liability of all Units for Common Expenses for the remainder of the fiscal year in which such events occur. The amount of assessments attributable to each Unit thereafter shall be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Executive Board.

5.2.4. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

5.3. ASSESSMENT AND PAYMENT OF COMMON EXPENSES.

5.3.1. **COMMON EXPENSES.** The Executive Board shall calculate the monthly assessments for Common Expenses against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner, and to each record holder of a mortgage on a Unit who has registered an address with the Secretary, an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves, along with a copy of the Annual Budget. Any net shortage with regard to Common Expenses, after application of such reserves as against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

5.3.2. **RESERVES.** The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Board may at anytime levy further assessments for Common Expense which shall be assessed against the Unit Owners according to their respective Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.4. **FURTHER ASSESSMENTS.** The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1. or 5.3.2. or otherwise as permitted or required by the Act, the Declaration and these By-Laws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective within the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Section 5.3. 1.

5.5. **INITIAL BUDGET.** At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall

begin and ending on the 1st day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 5.3 above. (Note: Initial budget adopted in 2002.)

5.6. EFFECT OF FAILURE TO PREPARE OR ADOPT BUDGET. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.7. ACCOUNTS; AUDITS. All sums collected by the Management Company with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept by the Management Company in accordance with good and accepted practices. If the Management Company is changed or dismissed without replacement, an immediate, complete, and independent audit is mandatory. If there is no Management Company, a yearly, complete and independent audit is mandatory by an independent accountant retained by the Executive Board.

[Amendment IV, approved by the Association with a Ballot Vote on October 14, 2010 and the Executive Board on October 21, 2010. Further amended by the Executive Board on August 31, 2011.]

5.8. REJECTION OF BUDGET; LIMITATIONS ON EXPENDITURES AND BORROWING. Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association may reject any budget or capital expenditure approved by the Executive Board within thirty days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including budgetary allocations to reserves) to be exceeded by more than 5% of such aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the Association then outstanding would exceed 5% of such aggregate amount.

5.9. PAYMENT OF COMMON EXPENSES. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article 5. No Unit Owner may exempt himself from liability for his or her contribution toward Common Expenses by waiver of the use of enjoyment of any of the Common elements or by abandonment of his or her Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his or her Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his or her proportionate share of the common Expenses up to the time of such recordation. Nothing herein shall prevent the purchaser from recovering from the selling Unit Owner amounts paid by the purchaser for the seller's

unpaid assessments. The prospective purchaser of a Unit shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request for such a statement to the Management Company or other designee of the Executive Board, and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in the statement provided. Subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged Unit.

5.10. COLLECTION OF ASSESSMENTS. The Executive Board or the Managing Company, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment not paid within five days after its due date shall accrue a late charge or penalties, as may be determined and approved by the Executive Board from time to time.

5.11. STATEMENT OF COMMON EXPENSES. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

ARTICLE VI **Compliance and Default**

6.1. RELIEF. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Company, to the following relief:

a. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness or the act, neglect or carelessness of his or her tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

b. Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the Court.

c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, any amendments thereto, these By-Laws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, any amendments thereto, these By-Laws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, Amendments thereto, these By-Law, the Rules and Regulations or the Act or at law or in equity.

d. Abating and Enjoining Violations By Unit Owners. The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any By-Laws contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VII Amendments

7.1. AMENDMENTS TO BY-LAWS. These By-Laws may be modified or amended only by vote of Unit Owners entitled to cast a majority of votes in the Association or by majority of votes in the Association or by majority vote of the Executive Board as set forth above and in Section 3303 of the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to the provisions of Section 1.3 of the Declaration as clarified by this section 7.1 may nor be amended without the consent in writing of Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-Laws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects , then at any time and from time to time the Executive Board may effect an

appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

7.2. APPROVAL OF MORTGAGEES. These By-Laws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these By-Laws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these By-Laws impairing or affecting such right, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address within the Secretary.

7.3. AMENDMENTS TO THE DECLARATION. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE VIII Miscellaneous

8.1. NOTICES. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage pre-paid or by first class mail, postage pre-paid (or otherwise as the Act may permit). Personal delivery shall include posting upon the door of the unit, by a reasonably secure means. Said communications shall be delivered or mailed: (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the Managing Company, at the principal office of the Managing Company or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all communications hereunder.

8.2. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

8.3. GENDER. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

[SIGNATURE PAGE FOLLOWS]

THE VILLAS AT SHREWSBURY
CONDOMINIUM ASSOCIATION
THROUGH ITS EXECUTIVE BOARD

By: Antoinette Averbach 4/11/2013
ANTOINETTE AVERBACH Date

By: Wayne D. Bryant 4/11/2013
WAYNE D. BRYANT Date

By: Michael D. Mackney 11 April 2013
MICHAEL D. MACKNEY Date

By: Roland Carrington 4/11/2013
ROLAND CARRINGTON Date

By: David E. Litrenta 4/11/2013
DAVID E. LITRENTA Date

At the request of the Executive Board, these Amended and Restated By-Laws were compiled by counsel to the Association, which utilized the original By-Laws of the Association, dated July 9, 2002, and the seven Amendments to those By-Laws previously approved as of August 31, 2011.

These Amended and Restated By-Laws were presented to the Association at a meeting on May 1, 2013.

These By-Laws are available at the Association's website at: www.tvillas.org. They are also available upon request, either electronically or by hard copy, from the current Management Company.